

GOVERNMENT OF INDIA
MINISTRY OF POWER
RAJYA SABHA
QUESTION NO 21.12.2009
ANSWERED ON
POWER SHORTAGE .

3510

Shri B.K. Hariprasad

Will the Minister of COAL/COAL/POWER be pleased to state :-

- (a) whether the Economic Advisory Council (EAC) headed by Dr. C. Rangarajan has recently highlighted the problem of shortage of power which was well above 10 per cent during peak hours during the last decade followed by 11 per cent last year and 12.4 per cent for the current year;
- (b) whether country's record in capacity addition has been below par and that the target for capacity addition during the current plan period set at 78,700 MW is unlikely to be met;
- (c) whether EAC has called for great intervention of both the Centre and the States in capacity creation and other supportive components of the power sector; and
- (d) if so, Government's response thereto?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI BHARATSINH SOLANKI)

(a) :The Economic Advisory Council to the Prime Minister (EAC) has highlighted the problem of shortage of power in the country in the `Economic Outlook for 2009-10` brought out by EAC in October, 2009.

(b) :Planning Commission had fixed a capacity addition target of 78,700 MW during the 11th Plan to meet the power requirement of the country. Central Electricity Authority (CEA) has recently reviewed the likely capacity addition during 11th Plan after meeting with project developers. Based on the inputs provided by the project developers and suppliers, CEA has assessed that a total capacity of 62,374 MW is likely to be commissioned with high level of certainty during 11th Plan. In addition, projects aggregating 12,590 MW are being attempted for commissioning on best efforts basis during the 11th Plan.

(c) :The report of Economic Advisory Council (EAC), inter-alia brings out the following :
Government has the largest role to play in the electricity sector, being the dominant producer with a virtual monopoly on the transmission side and also on the distribution side through State Government utilities. Thus, without a high order of government intervention in capacity creation and other supportive components of the electricity business, we will not be able to make the necessary improvements in the electricity sector which is so vital for the economy to maintain a high rate of growth of 8 to 9 percent. It is equally important to facilitate and encourage more private investment in power generation.

(d) :Several measures have been initiated by the Government to address the issue of power shortage and facilitate private investment. These include 100% FDI on automatic route in respect of projects relating to electricity generation, transmission and distribution; close and comprehensive monitoring of power projects under construction; initiative for facilitating the development of Ultra Mega Power Projects of about 4000 MW capacity each under the tariff based competitive bidding route using super critical technology; institution of an award scheme for early completion of power projects; stress on augmentation of manufacturing capacity of Bharat Heavy Electricals Limited, and liberalization of Mega Power Policy.